



General Assembly

January Session, 2007

**Amendment**

LCO No. 7847

**\*HB0698007847SR0\***

Offered by:  
SEN. CALIGIURI, 16<sup>th</sup> Dist.

To: Subst. House Bill No. 6980

File No. 661

Cal. No. 498

**"AN ACT CONCERNING HEATING OIL AND PROPANE GAS CHARGES."**

1 After the last section, add the following and renumber sections and  
2 internal references accordingly:

3 "Sec. 501. Section 12-587 of the general statutes is repealed and the  
4 following is substituted in lieu thereof (*Effective from passage*):

5 (a) As used in this chapter: (1) "Company" includes a corporation,  
6 partnership, limited partnership, limited liability company, limited  
7 liability partnership, association, individual or any fiduciary thereof;  
8 (2) "quarterly period" means a period of three calendar months  
9 commencing on the first day of January, April, July or October and  
10 ending on the last day of March, June, September or December,  
11 respectively; (3) "gross earnings" means all consideration received  
12 from the first sale within this state of a petroleum product; (4)  
13 "petroleum products" means those products which contain or are  
14 made from petroleum or a petroleum derivative; (5) "first sale of  
15 petroleum products within this state" means the initial sale of a

16 petroleum product delivered to a location in this state; (6) "export" or  
17 "exportation" means the conveyance of petroleum products from  
18 within this state to a location outside this state for the purpose of sale  
19 or use outside this state; and (7) "sale for exportation" means a sale of  
20 petroleum products to a purchaser which itself exports such products.

21 (b) (1) Except as otherwise provided in subdivision (2) of this  
22 subsection, any company which is engaged in the refining or  
23 distribution, or both, of petroleum products and which distributes  
24 such products in this state shall pay a quarterly tax on its gross  
25 earnings derived from the first sale of petroleum products within this  
26 state. Each company shall on or before the last day of the month next  
27 succeeding each quarterly period render to the commissioner a return  
28 on forms prescribed or furnished by the commissioner and signed by  
29 the person performing the duties of treasurer or an authorized agent or  
30 officer, including the amount of gross earnings derived from the first  
31 sale of petroleum products within this state for the quarterly period  
32 and such other facts as the commissioner may require for the purpose  
33 of making any computation required by this chapter. Except as  
34 otherwise provided in subdivision (3) of this subsection, the rate of tax  
35 shall be (A) five per cent with respect to calendar quarters prior to July  
36 1, 2005; (B) five and eight-tenths per cent with respect to calendar  
37 quarters commencing on or after July 1, 2005, and prior to July 1, 2006;  
38 (C) six and three-tenths per cent with respect to calendar quarters  
39 commencing on or after July 1, 2006, and prior to July 1, 2007; and (D)  
40 [seven] five per cent with respect to calendar quarters commencing on  
41 or after July 1, 2007, [ , and prior to July 1, 2008; (E) seven and one-half  
42 per cent with respect to calendar quarters commencing on or after July  
43 1, 2008, and prior to July 1, 2013; and (F) eight and one-tenth per cent  
44 with respect to calendar quarters commencing on or after July 1, 2013.]

45 (2) Gross earnings derived from the first sale of the following  
46 petroleum products within this state shall be exempt from tax: (A) Any  
47 petroleum products sold for exportation from this state for sale or use  
48 outside this state; (B) the product designated by the American Society  
49 for Testing and Materials as "Specification for Heating Oil D396-69",

50 commonly known as number 2 heating oil, to be used exclusively for  
51 heating purposes or to be used in a commercial fishing vessel, which  
52 vessel qualifies for an exemption pursuant to section 12-412; (C)  
53 kerosene, commonly known as number 1 oil, to be used exclusively for  
54 heating purposes, provided delivery is of both number 1 and number 2  
55 oil, and via a truck with a metered delivery ticket to a residential  
56 dwelling or to a centrally metered system serving a group of  
57 residential dwellings; (D) the product identified as propane gas, to be  
58 used exclusively for heating purposes; (E) bunker fuel oil, intermediate  
59 fuel, marine diesel oil and marine gas oil to be used in any vessel  
60 having a displacement exceeding four thousand dead weight tons; (F)  
61 for any first sale occurring prior to July 1, 2008, propane gas to be used  
62 as a fuel for a motor vehicle; (G) for any first sale occurring on or after  
63 July 1, 2002, grade number 6 fuel oil, as defined in regulations adopted  
64 pursuant to section 16a-22c, to be used exclusively by a company  
65 which, in accordance with census data contained in the Standard  
66 Industrial Classification Manual, United States Office of Management  
67 and Budget, 1987 edition, is included in code classifications 2000 to  
68 3999, inclusive, or in Sector 31, 32 or 33 in the North American  
69 Industrial Classification System United States Manual, United States  
70 Office of Management and Budget, 1997 edition; (H) for any first sale  
71 occurring on or after July 1, 2002, number 2 heating oil to be used  
72 exclusively in a vessel primarily engaged in interstate commerce,  
73 which vessel qualifies for an exemption under section 12-412; (I) for  
74 any first sale occurring on or after July 1, 2000, paraffin or  
75 microcrystalline waxes; (J) for any first sale occurring prior to July 1,  
76 2008, petroleum products to be used as a fuel for a fuel cell, as defined  
77 in subdivision (113) of section 12-412; or (K) a commercial heating oil  
78 blend containing not less than ten per cent of alternative fuels derived  
79 from agricultural produce, food waste, waste vegetable oil or  
80 municipal solid waste, including, but not limited to, biodiesel or low  
81 sulfur dyed diesel fuel.

82 (3) The rate of tax on gross earnings derived from the first sale of  
83 grade number 6 fuel oil, as defined in regulations adopted pursuant to

84 section 16a-22c, to be used exclusively by a company which, in  
85 accordance with census data contained in the Standard Industrial  
86 Classification Manual, United States Office of Management and  
87 Budget, 1987 edition, is included in code classifications 2000 to 3999,  
88 inclusive, or in Sector 31, 32 or 33 in the North American Industrial  
89 Classification System United States Manual, United States Office of  
90 Management and Budget, 1997 edition, or number 2 heating oil used  
91 exclusively in a vessel primarily engaged in interstate commerce,  
92 which vessel qualifies for an exemption under section 12-412 shall be:  
93 (A) Four per cent with respect to calendar quarters commencing on or  
94 after July 1, 1998, and prior to July 1, 1999; (B) three per cent with  
95 respect to calendar quarters commencing on or after July 1, 1999, and  
96 prior to July 1, 2000; (C) two per cent with respect to calendar quarters  
97 commencing on or after July 1, 2000, and prior to July 1, 2001; and (D)  
98 one per cent with respect to calendar quarters commencing on or after  
99 July 1, 2001, and prior to July 1, 2002.

100 (c) (1) Any company which imports or causes to be imported into  
101 this state petroleum products for sale, use or consumption in this state,  
102 other than a company subject to and having paid the tax on such  
103 company's gross earnings from first sales of petroleum products  
104 within this state, which earnings include gross earnings attributable to  
105 such imported or caused to be imported petroleum products, in  
106 accordance with subsection (b) of this section, shall pay a quarterly tax  
107 on the consideration given or contracted to be given for such  
108 petroleum product if the consideration given or contracted to be given  
109 for all such deliveries during the quarterly period for which such tax is  
110 to be paid exceeds three thousand dollars. Except as otherwise  
111 provided in subdivision (3) of this subsection, the rate of tax shall be  
112 (A) five per cent with respect to calendar quarters commencing prior to  
113 July 1, 2005; (B) five and eight-tenths per cent with respect to calendar  
114 quarters commencing on or after July 1, 2005, and prior to July 1, 2006;  
115 (C) six and three-tenths per cent with respect to calendar quarters  
116 commencing on or after July 1, 2006, and prior to July 1, 2007; and (D)  
117 [~~seven~~] five per cent with respect to calendar quarters commencing on

118 or after July 1, 2007; [ and prior to July 1, 2008; (E) seven and one-half  
119 per cent with respect to calendar quarters commencing on or after July  
120 1, 2008, and prior to July 1, 2013; and (F) eight and one-tenth per cent  
121 with respect to calendar quarters commencing on or after July 1, 2013.]  
122 Fuel in the fuel supply tanks of a motor vehicle, which fuel tanks are  
123 directly connected to the engine, shall not be considered a delivery for  
124 the purposes of this subsection.

125 (2) Consideration given or contracted to be given for petroleum  
126 products, gross earnings from the first sale of which are exempt from  
127 tax under subdivision (2) of subsection (b) of this section, shall be  
128 exempt from tax.

129 (3) The rate of tax on consideration given or contracted to be given  
130 for grade number 6 fuel oil, as defined in regulations adopted  
131 pursuant to section 16a-22c, to be used exclusively by a company  
132 which, in accordance with census data contained in the Standard  
133 Industrial Classification Manual, United States Office of Management  
134 and Budget, 1987 edition, is included in code classifications 2000 to  
135 3999, inclusive, or in Sector 31, 32 or 33 in the North American  
136 Industrial Classification System United States Manual, United States  
137 Office of Management and Budget, 1997 edition, or number 2 heating  
138 oil used exclusively in a vessel primarily engaged in interstate  
139 commerce, which vessel qualifies for an exemption under section 12-  
140 412 shall be: (A) Four per cent with respect to calendar quarters  
141 commencing on or after July 1, 1998, and prior to July 1, 1999; (B) three  
142 per cent with respect to calendar quarters commencing on or after July  
143 1, 1999, and prior to July 1, 2000; (C) two per cent with respect to  
144 calendar quarters commencing on or after July 1, 2000, and prior to  
145 July 1, 2001; and (D) one per cent with respect to calendar quarters  
146 commencing on or after July 1, 2001, and prior to July 1, 2002.

147 (d) The amount of tax reported to be due on such return shall be  
148 due and payable on or before the last day of the month next  
149 succeeding the quarterly period. The tax imposed under the provisions  
150 of this chapter shall be in addition to any other tax imposed by this

151 state on such company.

152 (e) For the purposes of this chapter, the gross earnings of any  
153 producer or refiner of petroleum products operating a service station  
154 along the highways or interstate highways within the state pursuant to  
155 a contract with the Department of Transportation or operating a  
156 service station which is used as a training or test marketing center  
157 under the provisions of subsection (b) of section 14-344d, shall be  
158 calculated by multiplying the volume of petroleum products delivered  
159 by any producer or refiner to any such station by such producer's or  
160 refiner's dealer tank wagon price or dealer wholesale price in the area  
161 of the service station."